

**Technology Customer Council Meeting  
Minutes of March 14, 2006**

**Final**

Present: Greg Wright, Steve Mosena, Leon Schwartz, Rich Jacobs, Jan Evans, Erv Fett, Marv Van Haaften, Larry Murphy, Roberta Polzin, Carl Martin

Absent: Joel Lunde, Margaret Thomson, Keith Greiner

Guests: Greg Fay, Lorrie Tritch, Mollie Anderson, Pat Deluhery, Deb Madison, John Gillispie, Julie Sterk, Laura Riordan, Diane Van Zante (recorder)

1. **Call to Order** – Greg Wright, Chair, called the meeting to order. It was noted that a quorum of members was present.
2. **Review and Approve Minutes of February 14, 2006** – Greg Wright.  
Larry Murphy moved approval of the January minutes; Steve Mosena seconded the motion. An oral vote was taken, unanimously approving the minutes as written.
3. **Comments by DAS Director** – Mollie Anderson.  
Recently, some customer council members were asked to participate in an impromptu survey. Legislators are concerned that in general, council members are not happy with the operation of the customer councils or their ability to determine what becomes a utility, marketplace, or leadership function. DAS was asked to visit with council members to gather their thoughts on what DAS can do to improve. As a result, the Governor will probably determine service categories rather than the DAS director.

Appropriations are at the heart of the matter, as agencies need the resources to buy the services. Mollie is concerned that not all services become marketplace services. That would give agencies a choice, but could also impact DAS' revenue, raising the possibility of DAS going out of business and agencies being at the mercy of vendors who charge any amount they want. The survey results indicated that some customer council members feel they are simply a rubber stamp, that they have no control over the rates. Members have the right to decide a reasonable rate as well as the formula for determining that rate. DAS cannot offer services for free. The Department of Management will be hosting a workshop near the end of the legislative session to look at improving how customer councils work.

Some agency budgets seem to be receiving funds for DAS services, while others are not, especially if the DAS services are line itemed in their budget. That does not seem fair.

Today, the Council is considering another utility service for the Information Security Office (ISO). The legislative body is considering an appropriation, but it is not included in the Governor's recommendations. Is this a service that is needed? If so, what is the appropriate price? What is the appropriate way to determine who pays what share of that? There are very few functions that aren't affected by technology, so we must ensure that the technology

is secure. If the legislature does decide to fund the ISO, any decision by the Customer Council would be set aside, however that is not likely.

What if an agency chooses not to participate in the ISO, but is still a risk to others? Can the Customer Council mandate that they get off of the network? It is probably appropriate for the Customer Council to write a letter to the agency and alert them to the consequences of their actions. It is not fair that some agencies pay while others do not. Consider the basic premise: Is it a service that you have to have and is it a competitive rate? Those issues have to be part of the discussion.

Mollie would like the Council to give her a candid recommendation on the ISO utility. This is the Council's opportunity to decide if the ISO is needed and if needed, what the appropriate price is. From the viewpoint of accountability to customers, DAS believes that its service has improved. Later on, it will also be important to determine if our customers are satisfied with the service.

Greg Fay commented that the information security arena changes all the time, however most agencies are not focused on security 100% of the time, whereas the ISO is. Part of the service offering is assessment and evaluation. There is a lot of direct value and a lot of indirect value.

#### **4. Recommendations for Service Categories**

By code, each year Mollie and the Governor are required to determine which services should be utilities. The Department of Administrative Services (DAS) is required to revisit its utility service offerings and ask the customer council for input/ideas/opinions before Mollie submits her recommendations to the Governor. Previously, Larry Murphy indicated he would ask the CIO Council for feedback. Have any comments been received on this topic? To date, no feedback has been received.

In the utility business plan, ITE's utilities are listed as Common Directory and Public Key Infrastructure (PKI). At present, the PKI listing serves more or less as a placeholder. Tom Shepherd's opinion is that PKI has fallen out of favor, but there is still a need to protect the identity of individuals that the State does business with. We will probably revisit PKI a year from now.

Cost Differential for Common Directory Models –

Do we want to pursue a different rate for model 4? Eight agencies are currently on model 4. Is there a way to quantify the additional support costs for model 4 agencies? In labor costs, it takes about 1/3 more time to support model 4. Are there any agencies that could leverage federal funds for this purpose? Is the Council asking ITE to put together a proposal for FY07? What are we trying to achieve by putting in place a rate differential? Is it a fairness issue or an incentive to get agencies to change? John responded that it was simply a fundamental question: Should those who consume more services pay more? Lorrie stated that all of the model 4 agencies have less than 100 employees, except for Public Health. After discussion, the Council determined that it was probably not worth the effort to pursue a rate

differential, as the potential for savings was only about \$30,000. It was the consensus of the Council to drop the matter.

**5. Information Security Office Utility Discussion – Greg Fay.**

The proposal from the Governor's Office for FY07 is for the legislature to appropriate money to a distribution account to be used for the ISO and then to have the ISO become a full-fledged utility in FY08. Greg, Steve Mosena, and Jan Evans served on a subcommittee to look at a process for setting ISO rates. One of the suggestions was a rate based on the number of workstations/devices and an employee factor. Some departments have a number of employees that are not technology users.

Council members were previously sent two spreadsheets. The first one is based strictly on FTEs (with the same counts that were used for the active directory utility), assuming that everyone participates. That works out to 95 cents per person per month. The second spreadsheet utilizes a base amount for each department (based upon number of employees) plus a per employee amount. The cost for the second option varies according to the agency and ranges from \$7.77-\$69.33 per person per year.

Q. Why were the agencies broken down into so many categories, instead of just two or three?

A. There just seemed to be a natural break that occurred. Using multiple breaking points tends to make it work more smoothly.

Q. Why not have each agency pay half of its own cost?

A. For the very small agencies, a \$5,000 price tag would have a huge impact.

If it is going to be handled through a distribution account, that doesn't make any difference.

One question the Council may want to be prepared for is why the breaking points do not align with the small, medium, and large agency designations.

Rich Jacobs made a three-part motion, recommending:

- 1) The creation of a utility service for the ISO in the amount of \$248,000
- 2) Acceptance of an allocation formula based upon an FTE basis
- 3) That prior to DAS recommending any increase greater than 25% for FY08, that DAS would provide a performance report for FY07.

Larry Murphy seconded the motion.

The \$248,426 amount is strictly for Greg's position and a new hire to fill Larry Brennan's previous position. It does not cover support for the two security people within ITE that are currently being paid by indirect costs.

Q. Could we get by with funding only one position for FY07?

A. Greg does not feel that this is feasible, based on the recommendation for a minimum staff of four.

- Q. How can we guarantee that these two people will be 100% dedicated to ISO tasks?
- A. The ISO would commit to that, but reality dictates that on occasionally, there will be other things that need to be done.

The ISO should be measured on what is accomplished, not on how time is spent.

- Q. Is the ISO going to be offering marketplace services as well?
- A. No. We can define the principal goals, some basic measurements, and provide whatever level of detail that the Council wants. We can measure tasks, but that won't necessarily measure the effectiveness of the office.
- Q. Should we share this information with our partner agencies before we vote on a rate?
- A. I believe we can take action on the first and second parts so that we can notify our customers what their share would be. We could tentatively accept a rate until ITE's customers have time to offer input.
- Q. What kind of risk are we assuming? The Chair would like to see an analysis of that. What is the risk of having two staff rather than four?
- A. The risk is not tangible enough to document with numbers, but with more individuals we can do more testing and risk assessments, more awareness training, etc. In terms of how much risk we are taking, more resources are going to reduce the overall risk. We need people more than we need tools.

For the next meeting, Greg Fay is to detail the types of service and deliverables, etc. From a Judicial standpoint, security is important, but for the elected officials, choice would be important. If Judicial chooses not to pay, it doesn't mean that they don't care about security, in fact they are looking at pursuing their own ISO. Because Judicial is so intertwined with the Executive Branch, they may participate anyway. The presentation to the elected officials needs to emphasize the importance of everyone participating for the good of all.

Leon supports the creation of a utility service for the ISO, but believes pieces of it could be marketplace services. ITE already offers penetration testing as a marketplace service. Greg mentioned that there were certain kinds of assessments that the ISO probably couldn't provide. Agencies shouldn't be forced to pay for services that the ISO can't provide. The statement of work should allow agencies to use other vendors if DAS can't or doesn't have time to provide the service.

Rich Jacobs made a motion to strike the amount from the first portion of his original motion (the creation of a utility service for the ISO ~~in the amount of \$248,000~~); Larry Murphy seconded the revision. An oral vote was taken and resulted in unanimous passage.

Rich Jacobs made a motion to revise the second portion of his original motion (acceptance of an allocation formula based upon an FTE basis) by adding "the Council accepts the \$248,000 figure, subject to council members distributing the information to customer agencies in time for them to respond prior to the next meeting (to adhere to the rules governing such matters).

Concern was expressed about setting a rate based solely on FTEs. Where is the equity? Steve Mosenen made a motion to change the Council's rate methodology selection from option 1 to option 2. There was no second to the motion; the motion died.

Q. You can test and do vulnerability assessments, but you still don't have anything to resolve the problems. Why do we need two people the first year to get that accomplished?

A. The ISO has already purchased some tools and done a number of things to bolster its security program, however those activities have pretty much come to a halt because we don't have the staff to do them. We are ready to go right now. What are we going to do about the problems? We are developing standards and sanctions. Having more people to move the standards ahead goes a long way toward becoming more secure across the board. The assessments identify risks and correct them immediately.

Portion 2 of the original motion, as amended, now states "acceptance of an allocation formula based upon an FTE basis; the Council accepts the \$248,000 figure, subject to council members distributing the information to customer agencies in time for them to respond prior to the next meeting." An oral vote was conducted, resulting in six members favoring the motion and four opposing the motion (Erv Fett, Steve Mosenen, Roberta Polzin, and Carl Martin). Portion 2 passed.

Portion 3 of the original motion states, "that prior to DAS recommending any increase greater than 25% for FY08, that DAS would provide a performance report for FY07." Discussion: We are getting ready to set the FY08 rate. Rates for FY08 will be set before we can get a performance report for FY07. Rich Jacobs and Larry Murphy withdrew the motion.

**6. Approval of Utility Services Business Plan – Lorrie Tritch.**

Lorrie advised that a few corrections had been made as a result of the last meeting. Rich Jacobs moved approval of the plan; Larry Murphy seconded. An oral vote was taken and unanimously approved.

**7. Wrap-Up, Next Meeting Date – Greg Wright.**

The next meeting is April 11 at 1:00 p.m.

There being no further business, the meeting adjourned at 2:57 p.m.

**Post meeting discussion:**

Greg Fay is to provide a one page summary on the Information Security Office by close of business on Tuesday, March 21. Once completed, it is to be sent to Technology Customer Council members. The Chair will solicit volunteers to seek feedback from the small, medium, and large partner agencies.